



DELBERT HOSEMAN
Secretary of State

January 18, 2013

Daniel M. Gallagher, Commissioner
Securities and Exchange Commission
SEC Headquarters
100 F. Street, NE
Washington, DC 20549

RE: Approval and Distribution of Fair Fund File No. 3-13847 -- Morgan Asset Management, Inc.; Morgan Keegan & Company, Inc.; James C. Kelsoe, Jr.; and Joseph Thompson Weller, CPA

Dear Commissioner Gallagher:

On behalf of the injured investors in the State of Mississippi, the purpose of this letter is to urge you and your fellow commissioners to immediately approve a plan of distribution in the above styled case. Many of our investors are retired and very elderly and we fear some a prolonged delay will significantly harm these investors who need their distribution to provide their daily living needs. Some investors have died and will not now or ever receive their distribution.

By way of background, at the time of the Order Instituting Administrative Cease-And-Desist Proceedings dated June 22, 2011 in the above case, Morgan Keegan entered into to a multi-state consent order which established a state distribution fund in the amount of approximately \$100 Million Dollars. The administrator of this fund began distributing checks to eligible investors in October 2012. In June 2011, the SEC Fair Fund was also paid \$100 Million Dollars to distribute to investors. To date, no distribution has occurred from the SEC Fair Fund and no plan is in place to distribute these investor funds.

While the state fund distribution is coming to a close, the SEC has yet to even approve its plan of distribution much less begin the process to distribute the funds. The investors of the smaller accounts have recovered their losses up to the amount of \$2,683 per account from the State's settlement. We do not have any indication from the Commission as to their intentions as to a formula for distribution or their possible date for any distribution.

The holding of investor monies lost pursuant to securities violations in 2007 is unacceptable to all Mississippi investors. They continue to express their frustration. The action by your Agency has caused them to distrust the regulatory process of receiving such losses from violators. Funds are held by their government for years with no plans to distribute them to their rightful owners. The State of Mississippi shares their frustration. Given all other funds are already distributed, there really is no viable excuse for the inaction by the Securities and Exchange Commission.

Sincerely,



Delbert Hosemann
Secretary of State

CDH,JR/

cc: Senator Thad Cochran
Senator Roger Wicker
Congressman Gregg Harper
Congressman Steven Palazzo
Congressman Alan Nunnelee
Congressman Bennie Thompson
All Plaintiff States